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**AriSEIA**

ARIZONA SOLAR ENERGY  
INDUSTRIES ASSOCIATION

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RE: Docket Numbers E-01345A-10-0394, E-01345A-12-0290, E01933A-12-0296, E-04204A-12-0297,

April 15, 2013

COMMISSIONERS

BOB STUMP, CHAIRMAN

GARY PIERCE

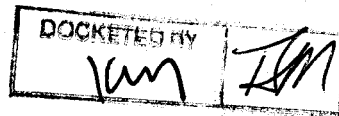
BRENDA BURNS

BOB BURNS

SUSAN BITTER SMITH

Arizona Corporation Commission  
**DOCKETED**

APR 16 2013



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Commissioners:

AriSEIA writes this letter to the docket to express additional concerns regarding the Technical Conference that is being conducted by Arizona Public Service.

In the initial RW Beck study, three distributed generation technologies were considered: photovoltaics, solar water heating, and solar daylighting. In the development of the study, solar water heating was seen as a significant portion of the distributed generation market place and recognized as a technology that can provide benefits to the utility and ratepayer. Today, Solar Heating and Cooling Technologies have maintained their role in the Arizona market for distributed generation technologies and continue to offer the same benefits to the utility and ratepayer as in the original Beck study. In fact, in a review of reservations for new systems to date this year, thermal system account for nearly half.

AriSEIA stressed the importance of including solar heating and cooling technologies in the Technical Conference at our pre-conference meeting with the facilitators. We also have expressed our concerns at both sessions of the technical conference when we were told that only PV technologies would be considered in the refresh of the Beck report. APS maintains that it will not consider accounting for the benefits of solar water heating in the refresh of the RW Beck study being performed for the Technical Conference.

In their request to the Arizona Corporation Commission for permission to establish a formal stakeholder process for implementing future changes to the DEAP, APS stated that it will

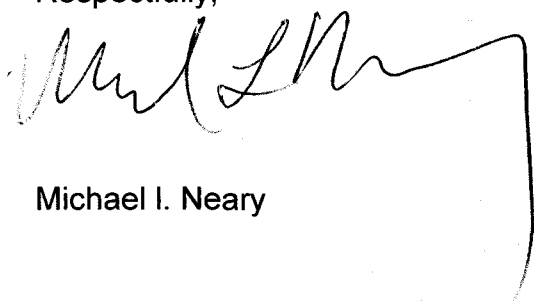
design its proposal to ensure an orderly and fair implementation of the DEAP that ultimately protects APS customers and does not unduly benefit any one incentive type or stakeholder over another". As a result of this filing, the Commission directed APS to include in the technical conference series "a comprehensive study of both the cost and benefits of Distributed Generation and Net Metering".

AriSEIA contends that a comprehensive study of distributed generation must include all of the major technologies, including solar heating and cooling technologies. By choosing not to include solar heating and cooling technologies and only include photovoltaic technologies in the Beck refresh, we feel that APS is shortchanging the process and not following the Commission's order to study Distributed Generation.

Solar Heating and Cooling technologies offer ratepayers a lower cost option for taking advantage of Distributed Generation application. Solar water heating is a solar technology that is affordable to most ratepayers and effectively offsets the use of energy derived from conventional resources. The vast majority of solar water heating systems will provide 100% of the hot water requirements from early May through the end of September avoiding the need to use electricity during the periods of summer peak loads. This technology provides a different value than PV for load shifting and reduction of peak power requirements for the Utility.

Given the fact that, as APS states, the outcome of this Technical Conference and the new version of the RW Beck Study will have an impact on future design of the DEAP, it is important that solar water heating is included. AriSEIA requests that the Commission insure that a comprehensive study that includes Solar Heating and Cooling technologies is performed during the update of the RW Beck study and insure that the APS Technical Conference results in a meaningful outcome for all stakeholders.

Respectfully,

A handwritten signature in black ink, appearing to read "Michael I. Neary", with a long, sweeping horizontal line extending to the right.

Michael I. Neary